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RUERKJA/FAA SOUTHERN REGN HQ
RUEAYVF/FAA MIAMI

UNCLAS BUENOS AIRES 000932

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EB/TRA FOR JEFF HORWITZ
EB/TRA/OTP FOR BIRD MATTINGLEY
FAA WASHDC FOR MIKE DANIEL AND CECELIA CAPESTANY
FAA SOUTHERN REGN HQ FOR FRED WALKER
FAA MIAMI FOR JAVIER RODRIGUEZ

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SUBJECT: ARGENTINA REQUESTS EXPANDED FAA ASSISTANCE WITH
CIVIL AVIATION AUTHORITY TRANSFER

REF: (05) BUENOS AIRES 2612

Summary

11. Senior FAA officials visited Buenos Aires April 18-21 to meet with the Air Regions Command (ARC), an Air Force command that is the country's civil aviation authority (CAA). The focus of the visit was a review of the ARC's progress six months after the October 2005 announcement of Argentina's recovery of its International Aviation Safety Assessment (IASA) Category 1 flight safety rating (reftel). The visit took on broader implications when Minister of Defense Nilda Garre and Secretary of Transportation Ricardo Jaime sought meetings to request FAA assistance with the process of transferring the CAA out of the Ministry of Defense to the Ministry of Planning's Secretariat of Transportation. Garre told the Ambassador that President Kirchner has urged her to work with the Ministry of Planning on a strategy to transfer the CAA to the Secretariat of Transportation. Jaime, who is one of Kirchner's closest advisors, added during his meeting with the FAA that the GOA is willing to make the necessary investment of time and resources to bring about an orderly transition. The officials responded that the FAA could tailor the assistance in any way the GOA deems necessary, including appending a new agreement to the existing technical assistance arrangement with the ARC or initiating a separate assistance contract. Post will follow up with the GOA for details on the nature of the assistance on the transfer of the CAA to civilian control. End Summary.

FAA Visit Finds Good Results

12. FAA Southern Region Executive Director Fred Walker, FAA International Programs and Policy Division Director Mike Daniel, and FAA Flight Standards Director of the Miami International Field Office Javier Rodriguez visited Buenos Aires from April 18-21 as part of the required six-month review following Argentina's recovery of International Aviation Safety Assessment (IASA) Category 1 rating in

October 2005 (reftel). Their visit focused on the operations within the Air Force's Air Regions Command (ARC) which serves as the country's civil aviation authority (CAA).

¶3. The six-month review consisted of discussions with managers of the ARC's component operations, airworthiness, and air traffic organizations as well as an evaluation of the FAA's ongoing monthly technical assistance. Walker told Air Force Chief of Staff General Eduardo Schiaffino during the visit's initial meeting that he was pleased to see ongoing progress within the ARC. Walker also commended ARC Commandant Brigadier Carlos Matiak "for not resting on the laurels of Category 1" and for working to develop a "culture change within the ARC to strive for continuous improvements in air safety." During the meeting, the office of Minister of Defense Nilda Garre called requesting a meeting with the FAA officials to discuss the process of transferring the country's CAA function from military to civilian control.

Defense Minister Seeks FAA Guidance

¶4. Walker, Daniel, Rodriguez, and Econoff (notetaker) accompanied the Ambassador to a meeting with Defense Minister Garre on April 19. Garre was accompanied by Secretary for Military Affairs Jose Maria Vasquez Ocampo, Under Secretary for Technical Affairs German Montenegro, General Schiaffino, and Brigadier Matiak. The Ambassador outlined the purpose of the FAA's visit as a follow-up to last year's Category 1 announcement. He noted that President Kirchner had underscored the importance of that announcement to the country's economy going forward. He added that Planning

Minister De Vido had stressed early in the FAA's technical assistance process that the program was one of President Kirchner's highest priorities. Walker emphasized the importance of political support in the technical process of regaining Category 1 and commended the ARC for its efforts to maintain and surpass international safety standards. Rodriguez observed that the effort behind regaining Category 1 and the ongoing improvements within the ARC made Argentina an ideal partner for the FAA in the region. He told Garre that for these reasons the FAA International Field Office in Miami had begun discussions with the ARC on organizing a regional air safety conference in Buenos Aires.

¶5. Daniel said that the FAA stood ready to continue offering assistance as the GOA deemed necessary. Garre responded that the GOA wants the FAA's guidance on transferring the aviation authority to civilian control. According to Garre, the Kirchner administration wants to surpass the international standards and "not settle for low safety levels." She added that "regaining Category 1 was good news" and "the country does not want to create only a perception of being concerned with safety." Garre explained that Secretary Ocampo's office "has already started talks with the Planning Ministry regarding the transfer of the CAA to the Transportation Secretariat." She said that the Kirchner administration saw

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the transfer to civilian control as the next logical step for aviation in Argentina. She added, "the president has been pressuring me to start the process," but the talks have "focused on what resources the Secretary of Transportation needs to implement a gradual transfer." Daniel said that the FAA could arrange to amend the existing agreement with the ARC or could initiate a separate assistance contract.

(Comment: This change would follow two other recent transfers of responsibility out of the Air Force: the National Aeronautic Police and the National Meteorological Service. The Ministry of Planning has also absorbed the former Ministry of Economy agency in charge of procuring and producing national defense technologies. End Comment.)

¶6. The elevated scope of the post-Category 1 visit continued when Matiak and National Airport System Regulating Agency Vice President Alejandro Orchansky arranged for Econcouns (notetaker), Walker, Daniel, Rodriguez, and Econoff (interpreter) to meet with Secretary of Transportation Ricardo Jaime on April 21. (Note: Orchansky had been an active participant in the ARC's project to regain Category 1 and represented the broader GOA during the FAA's technical assistance visits, ensuring that the ARC had the funding, personnel, and resources for the project. End note.) Walker presented an overview of what the follow-up visit had shown. He observed that the GOA's support of the ARC's efforts to regain and maintain Category 1 has been obvious. He stated that in light of the GOA's commitment and the ARC's progress the FAA is interested in strengthening ties with Argentina's CAA to promote safety standards in the region and around the world. He underscored the value of continuity in the CAA and the broader GOA as fundamental to strengthening these ties as well as building on the momentum the ARC has generated. Walker added that the GOA would need to evaluate the utility of the FAA's assistance to date and said that the FAA was prepared to offer other assistance the GOA deemed necessary.

¶7. Daniel mentioned the April 19 meeting with Garre on the military-to-civilian transition and reiterated the offer of FAA assistance "whatever the end state, with whatever CAA the GOA wants to establish." He said that "the chemistry between Matiak and Orchansky facilitated ideal working conditions that allowed the ARC to meet the international standards to restore Category 1." He emphasized that their working relationship would be an important factor in the transition process. Matiak recounted how the ARC had initially resisted acknowledging its difficulties. He said that the members of

the ARC have come to realize that the FAA's assistance was critical and facilitated reaching Category 1 in a much shorter timeframe than if the ARC had done the work alone.

¶8. Jaime echoed Garre's statement that the Defense and Planning ministries have been coordinating efforts to bring about the transfer of the aviation authority to civilian control. He added that the GOA wants to move forward with FAA assistance. He said the country's first challenge in this endeavor would be maintaining Category 1, especially in light of economic growth in general and tourism growth in particular. The second challenge is "creating the right civil aviation organization within the Ministry of Planning." Jaime said that the GOA is committed to an orderly transition and "will take the time that is needed to make the change appropriately."

The Aviation Sector Continues to Expand

¶9. Walker highlighted the need to partner with a country like Argentina on the setting and enforcing of safety standards. He noted that, as Jaime indicated, aviation industry forecasters have predicted that air traffic will triple by 2025, but that no government will be able to triple the standards-enforcement resources needed to ensure safety. Econcouns observed that the FAA will be assisting with the certification of existing and new Argentine air carriers that want to initiate service to the U.S. He noted that this primarily safety function will have a positive economic impact as an increasing number of airlines work to satisfy the rapidly growing demand for travel between the U.S. and Argentina.

¶10. The FAA's six-month follow-up visit started as a low-key, technical visit and ended with one of President Kirchner's closest advisors asking for increased FAA assistance. The GOA worked on restoring its IASA Category 1 rating from 2002 to 2004, but succeeded only after concluding a formal technical assistance agreement with the FAA. The GOA had also taken steps in the past to transfer the CAA to civilian control, but the CAA remained within the Ministry of Defense. The requested FAA assistance will help make that possible without an unwarranted decline in flight safety. Post will follow up with the GOA for details on the nature and terms of the requested assistance.

¶11. To see more Buenos Aires reporting, visit our classified website at: <http://www.state.sgov.gov/p/wha/buenosaires>
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